Remarks/Arguments begin on page 9 of this paper.

AMENDMENTS TO THE SPECIFICATION:

Please replace paragraph [0019] with the following amended paragraph:

[0019] Formation of a micelle in vivo from the pro-micelles of the present invention provides delivery of the pharmaceutically active agent to the systemic circulation. The agent with the micelle is readily absorbed by the intestinal absorptive systems via the monoglyceride pathways, while the agent in any pro-micelle remaining in the form of a liposome is absorbed via the alpha-glycerol phosphate ~~phosphate system~~. In accordance with the present invention, insulin delivered by oral administration in the form of the pro-micelle was found in the lymphatic fluid draining the duodenum (similar to the liposomes of U.S. Patent No. 5,656,289 and microemulsion of U.S. Patent No. 5,665,700) as well as in the portal blood flowing into the liver (similar to the stabilizer micelle of U.S. Patent No. 5,858,398). Thus, delivery is similar to that observed upon injected insulin. In particular, insulin is delivered to the liver by the formulation of the present invention just as pro-insulin secreted endogenously from the β-cells of the pancreas is delivered.

Please replace paragraph [0031] with the following amended paragraph:

[0031] The core solution may be coated with the mid-layer of esterified C12-C18 fatty acids and then the film coating by using a multiple-nozzle apparatus such as the SPHEREX-LABO apparatus by ~~of~~ Freund Co., Ltd. In a preferred embodiment, the core solution containing the pharmaceutically active agent is vibrated and sprayed using the

SHEREXLABO apparatus at a flow rate of 5ml/min at a vibration rate of 5.5 and frequency of 20Hz/sec.; coated with the mid-membrane layer of C12-C18 fatty acids from coconut (350g) and soybean lecithin (150g) by vibrating at 7.4 and a frequency of 20 Hz/sec.; and film coated with a solution containing gelatin (1 18.7g), glycerol (19.4g), sodium hydroxide (5.5g), hydroxymethyl cellulose (56.4g) and water (100g). The resulting minicapsules have a size of 1.8-3.0 mm (mean of 2mm) and are rapidly hardened by dropping into a 1.5-2.Oml tube containing cold circulating vegetable oil.